

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade in Industrial Products
Group 4 - Licensing

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REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

HONG KONG

Hong Kong's reply relating to BTN Chapters 25-99 has been circulated in COM.IND/W/55/Add.9. This supplementary reply relates to BTN Chapters 1-24.

Outline of system

1. As in COM.IND/W/55/Add.9.

Purposes and coverage of the licensing

2. An import licensing system is maintained for the following products which fall within Chapters 1-24 of the BTN:

- (a) rice;
- (b) frozen meat;
- (c) frozen poultry;
- (d) sugar;
- (e) coffee;
- (f) plants originating in the American Tropics.

3. Except for plants originating in the American Tropics, the system applies to the goods specified in paragraph 2 above originating in and coming from any territory. The importation of plants is subject to licensing only when such plants originate in the American Tropics. (The American Tropics are defined as those parts of the American Continent including adjacent islands, which are situated between the Tropic of Capricorn, Lat. $23\frac{1}{2}^{\circ}$ S. and the Tropic of Cancer, Lat. $23\frac{1}{2}^{\circ}$ N.)

4. Import licensing is intended for the following purposes:

(a) To ensure adequate stock and supply

- (i) rice;
- (ii) frozen meat;
- (iii) frozen poultry.

(b) To fulfil international obligation

- (i) coffee;
- (ii) sugar.

(c) To protect plants

- (i) Plants originating in the American Tropics. Other methods of accomplishing these purposes have not been considered.

5. As in COM.IND/W/55/Add.9.

Procedures

6. Only imports of coffee from countries not signatories of the International Coffee Agreement, and rice are subject to quota control.

(A) Coffee

- (a) Information concerning the size of quota for a particular coffee year (October to September) and the formalities of filing applications for import licences are published in the press. Circular letters are also sent to individual coffee importers in Hong Kong. The available quota is allocated to importers on a first-come-first-served basis, and is not allocated on a country basis. There is no maximum quantity limitation on each importer, but the latter's application must be supported by documentary evidence.
- (b) The size of quota is determined on a yearly basis. Import licences are issued on a first-come-first-served basis until the quota is fully utilized.

- (c) There are no domestic producers of coffee in Hong Kong. Manifest checking (see paragraph 1 of COM.IND/W/55/Add.9) is adopted to ascertain whether import licences granted are actually used for imports. Unused allocations are allowed to lapse and not added to the quota for a succeeding period. The names of importers to whom import licences have been granted are not generally made known to governments and export promotion bodies of exporting countries unless on specific request.
- (d) After the announcement of the coffee quota, applications for import licences may be submitted any time during the year.
- (e) Applications are normally processed and issued within a few hours (approximately three hours) of the time of application. Under exceptional circumstances, import licences may be issued immediately on request.
- (f) Import licence applications must be submitted four days prior to actual importation. As import licences are normally processed within a few hours (approximately three hours), the minimum time remaining between grant of licence and actual importation is three to four days. Under exceptional circumstances, import licences may be issued immediately before actual importation.
- (g) Consideration of import licence applications is effected by a single administrative organ, i.e. the Commerce and Industry Department.
- (h) See sub-paragraph (a) above.
- (i) Not applicable.
- (j) Not applicable.
- (k) There are no import licences issued on condition that the coffee imported should be exported and not sold in the domestic market.

(B) Rice

- (a) Ten to fifteen days before the commencement of each quarterly period, the overall amount of quota allocated to rice importers is published in the press. Circular letters are sent to each individual importer registered with the Commerce and Industry Department, informing him of his allocation. Since the formalities of filing import licence applications are well known to the trade, they are not given publicity through the press. The import quota for rice may be used for importing rice from all sources, and is not allocated on a country basis.
- (b) The size of quota is determined on a quarterly basis.

- (c) Import licences are issued only to rice importers registered with the Commerce and Industry Department. None of these registered importers is a domestic producer of rice. Manifest checking (see paragraph 1 of COM.IND/W/55/Add.9) is adopted to ascertain whether import licences granted are actually used for imports. Technically, quarterly quota allocations should be fully utilized within the quarter, but a slight extension may be permitted if unforeseen difficulties prevail. The names of importers to whom import licences have been granted may be made known to the governments and export promotion bodies of exporting countries upon request.
- (d) After the announcement of the rice quota, applications for import licences may be submitted immediately until the applicant's quota allocation for the quarter is fully utilized.
- (e) As in paragraph 6(A)(e) above..
- (f) As in paragraph 6(A)(f) above.
- (g) As in paragraph 6(A)(g) above.
- (h) Import licences are issued to registered rice importers who have received quota allocations. If the rice importers feel that the quotas allocated to them are insufficient in a particular quarter, they may apply for an advance of quota from the following quarter. At present there are no provisions admitting new importers of rice.
- (i) Not applicable.
- (j) Not applicable.
- (k) Importers may apply for import licences to re-export rice. In this case, the rice imported for re-export will not be deducted from the rice importer's quota, but the import licence will be issued on condition that the rice will be re-exported from Hong Kong and not sold in the domestic market. Checks will be made to ensure that the quantity of rice re-exported is the same as that imported.

7. Although the importation of frozen meat and poultry, sugar, and plants originating in the American Tropics, is subject to import licensing, these products are not under restriction as to the quantity or value of imports. It should be noted that:

- (a) Import licence applications should be submitted to the Commerce and Industry Department at least four clear working days prior to the advertised time of arrival of the carrier concerned. Import licence applications are normally processed and issued within a few hours (approximately three hours) of the time of application. As such it is possible for import licences to be obtained within a shorter time-limit

and for goods arriving at the port without import licence. However, due to the large number of import licence applications received daily, the Commerce and Industry Department does not encourage this practice and would only issue import licences under such circumstances on an exceptional basis.

- (b) An import licence is granted immediately on request only under very exceptional circumstances.
- (c) There are no limitations as to the time of the year during which applications for import licence and/or importation may be made.
- (d) Consideration of import licence applications for the products in question is effected by a single administrative organ, i.e. the Commerce and Industry Department, except that if the frozen meat and poultry are supplied from countries in which a competent authority has not been recognized by the Hong Kong Government, then the prior endorsement of the Urban Services Department is required. The applicants having had such applications duly endorsed, will pass them on to the Commerce and Industry Department which issues the import licence required.

8. As in COM.IND/W/55/Add.9.

Eligibility of importers to apply for licence

- 9. (a) All persons, firms and institutions are eligible to apply for import licences in respect of the following items:
 - (i) coffee;
 - (ii) sugar;
 - (iii) plants originating in the American Tropics.
- (b) Only importers who are registered with the Commerce and Industry Department may import the following items:
 - (i) rice;
 - (ii) frozen meat;
 - (iii) frozen poultry.

It should be noted that no registration fee is incurred.

Documentational and other requirements for application of licence

10. The information listed in paragraph 1 of COM.IND/W/55/Add.9 is required when lodging an import licence application. A sample import licence is attached at Appendix 1 to COM.IND/W/55/Add.9. No other documents are required to be submitted with the import licence applications if the importer wishes to import rice, sugar, or plants originating in the American Tropics. If however the importer wishes to import coffee, or frozen meat or poultry, the following documents must also be submitted:

<u>Item</u>	<u>Accompanying documents</u>
Coffee	Certificate of Origin or Certificate of Re-export
Frozen Meat	Health Certificate issued by the competent authority in the exporting country, or written permission of the Urban Services Department
Frozen Poultry	Health Certificate issued by the competent authority in the exporting country, or written permission of the Urban Services Department
11.)	
12.)	As in COM.IND/W/55/Add.9.
13.)	

Conditions of licensing

14. The period of validity of an import licence for the following items is:

<u>Item</u>	<u>Period of validity</u>
Rice	6 weeks
Frozen meat	6 weeks
Frozen poultry	6 weeks
Coffee	6 months (if imported from member countries of the International Coffee Agreement)

<u>Item</u>	<u>Period of validity</u>
Coffee	28 days (if imported from non-member countries of the International Coffee Agreement)
Sugar	6 months
Plants originating in the American Tropics	6 months

The validity period may be extended upon approval by the Director of Commerce and Industry or by an authorized officer.

15.)
16.) As in COM.IND/W/55/Add.9.
17.)

Other procedural requirements

18.)
19.) As in COM.IND/W/55/Add.9.

Note: Although import permits are required for certain livestock, these permits do not appear to be relevant to the purpose of the questionnaire. The permits requirement is aimed at protecting public health and controlling livestock diseases.